

NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

ITEM # 1 FOOD STAMP REAUTHORIZATION ACT OF 2002

CDSS hereby gives notice of the proposed regulatory action(s) described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at a public hearing to be held November 19, 2002, as follows:

November 19, 2002
Office Building # 9
744 P St. Auditorium
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The Department will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the Department at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on November 19, 2002.

CDSS, upon its own motion or at the instance of any interested party, may adopt the proposals substantially as described or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are available from the office listed below. This notice, the Initial Statement of Reasons and the text of the proposed regulations are available on the internet at <http://www.dss.cahwnet.gov/ord>. Additionally, all the information which the Department considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading/perusal at the address listed below.

Following the public hearing, copies of the Final Statement of Reasons will be available from the office listed below.

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CHAPTERS

Chapter 63-400 (Eligibility Standards), Sections 63-403 (California Food Assistance Program [CFAP]), 63-405 (Citizenship or Eligible Noncitizen Status), and 63-409 (Income and Resource Maximums); and Chapter 63-500 (Eligibility Determinations), Section 63-502 (Income, Exclusions and Deductions).

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

On May 13, 2002, Public Law 107-171, the Farm Security and Rural Investment Act of 2002 was signed into law. This Act contains the Food Stamp Reauthorization Act of 2002, which legislates mandatory changes to the Food Stamp Act of 1977. Most of these mandatory changes must be implemented effective October 1, 2002.

These proposed regulatory amendments implement mandatory federal changes to the Food Stamp Program to restore certain disabled noncitizens to federal food stamp eligibility (Food Stamp Reauthorization Act of 2002, Section 4401); increase the resource limit for households with a disabled member from \$2,000 to \$3,000 (Food Stamp Reauthorization Act of 2002, Section 4107); and restructure the Standard Deduction from one amount for all households to 8.31 percent of the net income limit, which varies based on household size (Food Stamp Reauthorization Act of 2002, Section 4103).

Without these regulations in place on October 1, 2002, California would be out of compliance with federal law. This would leave California at risk of legal action from individuals who have not been granted benefits. California would also be at risk of an increased food stamp payment accuracy error rate and increased financial penalties.

State law requires that the California Food Assistance Program (CFAP) be in conformity with federal law for the Food Stamp Program. Therefore, without these regulations in place on October 1, 2002, CFAP would be out of compliance with State law.

COST ESTIMATE

1. Costs or Savings to State Agencies: Savings of approximately \$23,400,000 in the current SFY. Additional cost of approximately \$2,100,000 to Food Stamp Administration in the current SFY.
2. Costs to Local Agencies or School Districts: None.
3. Nondiscretionary Costs or Savings to Local Agencies: None.
4. Federal Funding to State Agencies: Additional expenditures of approximately \$2,900,000 in the current SFY.

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not school districts. There are no “state-mandated local costs” in these regulations, which require federal and state reimbursement due to increased administrative costs under Section 17500 et seq. of the Government Code. The local agencies, State, and federal agencies share administrative costs. Increased costs in benefits are paid entirely by the federal government.

STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

SMALL BUSINESS IMPACT STATEMENT

CDSS has determined that there is no impact on small businesses as a result of filing these regulations because these regulations are only applicable to state and county agencies.

ASSESSMENT OF JOB CREATION OR ELIMINATION

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

STATEMENT OF ALTERNATIVES CONSIDERED

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Welfare and Institutions Code Sections 10553, 10554, and 18904. Subject regulations implement and make specific Sections 4103, 4107, and 4401 of the Food Stamp Reauthorization Act of 2002.

CDSS REPRESENTATIVE REGARDING RULEMAKING PROCESS OF THE PROPOSED REGULATION

Contact Person:	Anthony J. Velasquez	(916) 657-2586
Backup:	Richard P. Torres	(916) 657-2659

CDSS REPRESENTATIVE REGARDING SUBSTANCE OF THE PROPOSED REGULATION

Program Contact:	Rebecca Fuller	(916) 654-5709
Backup:	Mike Papin	(916) 654-1880

EMERGENCY STATEMENT

These regulations are to be adopted on an emergency basis. In order to allow interested persons an opportunity to submit statements or arguments concerning these regulations, they will be considered at public hearing in accordance with Government Code Section 11346.4.

AGENDA ITEM FOR THIS PUBLIC HEARING - November 19, 2002

ITEM #1 ORD #0802-19 STAMP REAUTHORIZATION ACT OF 2002